WILLOUGHBY & HOEFER, P.A.

ATTORNEYS & COUNSELORS AT LAW

1022 CALHOUN STREET (SUITE 302)

P.O. BOX 8416

COLUMBIA, SOUTH CAROLINA 29202-8416

MITCHELL M. WILLOUGHBY JOHN M.S. HOEFER ELIZABETH ZECK* PAIGE J. GOSSETT RANDOLPH R. LOWELL K. CHAD BURGESS NOAH M. HICKS II**

June 17, 2005

AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

*ALSO ADMITTED IN TX **ALSO ADMITTED IN VA

VIA HAND DELIVERY & ELECTRONIC MAIL

The Honorable Charles Terreni Chief Clerk/Administrator South Carolina Public Service Commission 101 Executive Center Drive (29210) Post Office Drawer 11649 Columbia, South Carolina 29211

RE:

Application of South Carolina Electric & Gas Company for Adjustments in the

Company's Natural Gas Rate Schedules and Tariffs;

Docket No.: 2005-113-G

Dear Mr. Terreni:

In accordance with your Transmittal Letter dated May 18, 2005, I enclose the originals and six copies each of the Affidavits of Publication reflecting that the Revised Notice of Filing and Hearing in the above-referenced matter was published in the following newspapers: *The State, The Post & Courier, The Times and Democrat, The Aiken Standard,* and *The Beaufort Gazette*. Please accept the originals and one copy each for filing and return the additional copies bearing your file stamp via our courier. Direct notice to customers is in progress and will be completed by June 30, 2005 in accordance with the May 18th Transmittal Letter. We will advise you when customer notification is complete.

With regard to the newspaper publication, S.C. Code Ann. § 58-5-240 provides that after a proposed rate schedule has been filed by an applicant, "the Commission shall, after notice to the public such as the Commission may prescribe, hold a public hearing concerning the lawfulness or reasonableness of the proposed changes." *Id.* (emphasis added.) In the May 18th Transmittal Letter, the docketing department required SCE&G to "[p]ublish at [its] own expense, on or before May 30, 2005 the enclosed Revised Notice of Filing and Hearing in newspaper(s) of general circulation in the affected areas, and provide the undersigned an original of publication on or before June 20, 2005."

In accordance with these instructions, SCE&G arranged for publication as described above. We believe that this notice more than satisfies the statutory and regulatory requirements.

In fact, publication in *The State* alone probably satisfies the statutory and regulatory notice requirements, especially because direct customer notice by mail has also been provided.

Nonetheless, in similar proceedings in the past, SCE&G has provided public notice beyond the requirements of law (in addition to the newspapers listed above) by publishing the notice in the following newspapers: *The Florence Morning News, The Sumter Daily Item,* and *The Georgetown Times*. We attempted to follow this past practice in this matter but, due to an oversight on these newspapers' part, the notice was not published by the specified date in the case of the Florence newspaper, and was not published at all by the Georgetown and Sumter papers. We enclose an Affidavit of Publication reflecting publication by the Florence newspaper on June 4, 2005.

In light of this situation, we would request that the Commission modify the Transmittal Letter to extend the newspaper publication deadline to June 30, 2005, the same date as the customer notification deadline. If this is acceptable, please notify us promptly so that we may publish the Revised Notice of Filing and Hearing in the Georgetown and Sumter newspapers as soon as possible, and certainly before June 30. Again, we would note that these publications are not required by law, but we are requesting this modification to enable the Company to accord with its past practice in similar cases.

For your convenience, we enclose a proposed Revised Transmittal Letter extending the deadlines for newspaper publication and filing of affidavits of publication as requested above, which will conform to the deadlines for direct customer notification.

Thank you for your kind attention in this matter. I look forward to hearing from you soon. With best regards, I am

Willoughby & Hoefer, P.A. Mitcheel Willoughby

Mitchell Willoughby

MW/cgc Enclosures

cc: (all via electronic mail)

Florence P. Belser, Esquire C. Lessie Hammonds, Esquire Shannon Bowyer Hudson, Esquire Jocelyn Boyd, Esquire Dr. James E. Spearman Ms. Frances Bachman Scott Elliott, Esquire David A. McCormick, Esquire Mr. Frank Knapp Catherine D. Taylor, Esquire Patricia Morrison, Esquire Mr. Kenneth R. Jackson Mr. John R. Hendrix Belton T. Zeigler, Esquire Paige J. Gossett, Esquire

THE STATE-RECORD CO., INC. Columbia, South Carolina publisher of



STATE OF SOUTH CAROLINA COUNTY OF RICHLAND

Personally appeared before me, Peggy Lawrence, Advertising Sales Support Manager of THE STATE, and makes oath that the advertisement,

Notice of Filing and Hearing – Docket 2005-113-G – South Carolina Electric & Gas Co.

was inserted in THE STATE, a daily newspaper of general circulation published in the City of Columbia, State and County aforesaid, in the issues of

May 27, 2005

Peggy Lawrence

Subscribed and sworn to before me

on this day

June 1, 2005

My commission expires March 10, 2013

"Errors- the liability of the publisher on account of errors in or omissions from any advertisement will in no way exceed the amount of the charge for the space occupied by the item in error, and then only for the first incorrect insertion."

Notary Public

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA DOCKETING DEFARTMENT

NOTICE OF FILING AND HEARING

NOTICE OF FILING AND HEARING
DECKET NO
DOCKET NO
2005-113-G
APPLICATION OF SOUTH CAROLINA ELECTRIC & GAS COMPANY FOR
AN ADJUSTMENT OF ITS RATES AND CHARGES FOR NATURAL GAS
SERVICE FOR NEW DEPRECIATION RATES AND CHARGES IN ITS
TERMS AND CONDITIONS OF SERVICE
On April 26, 2005, South Carolina Electric & Gas Company (Applicant) filed
an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas
service and proposing approval of new depreciation rates for its gas system.
The Application proposes that the new rates be effective for bills rendered on
or after November1, 2005 The Application proposes an overall increase in
revenues of \$22,482.731 or 7.09% in addition, the Application proposes a new
mechanism for accounting for revenues from interruptible industrial customers
and capacity release transactions, new rates, a new rate design, and changes
in its general terms and conditions The Application includes both a proposed
and an alternative rate design and proposes closing gas lighting and gas air
conditioning rates to new installations. The Application includes but he proposed
and an alternative rate design and proposes closing gas lighting and gas air
conditioning rates to new installations. The Application reflects a new pricing
structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the
firm shipper. The Application includes two new rates. The Residential Value
Service Rate would apply to oremercial, industrial, agricutural, religious and
charitable outsing by to residential customers using 10 therms or more on
average during the months of June, July and August. The Medium Genéral
Service Rate would apply to oremercial, industrial, agricutural, religious and
charitable outsing with the service area will apply to other commercial; industrial,
agricutural, religious and charitable customers

(1976) Application, asset fixed

tribution system, it must be able to access capital or reasonable terms and compensatory rates are required to support the financial integrity of the system.

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina, 29211, as well as the business offices of the Applicant Exhibit A to this notice identifies the proposed and alternative rates and charges. Additionally, SCE&G** Application is a valiable on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saliuda Building, 101 Executive Center Drive Columbia South Carolina on Monday, September 19, 2005 at 11:00 a.m.

Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Ducketing Department at the address below, Office of Regulatory Staff, Post Office Box 11:263, Columbia, South Carolina (2011) and Carolina (2011) and

EXHIBIT ASouth Carolina Electric and Gas Company

| Docket No. 2005-1 | | | |
|--|----------------|---------------|----|
| Proposed Gas R | | | |
| | | | |
| Description | Proposed | Alternative | |
| Rate 31 - General Service | | | |
| Basic Facilities Charge - (Nov Apr.) | \$15 50 | \$13.50 | |
| Basic Facilities Charge ~ (May-Oct.) | \$9 50 | \$7.50 | |
| Per Therm Charge | \$1 23147 | \$1 24398 | |
| Rate 33 - Medium General Service | | 11 - 11 11 | |
| Basic Facilities Charge | \$25.00 | \$16.75 | |
| Per Therm Charge | \$1.18147 | | |
| r er meitti Qnarge | 31.10147 | \$1 19398 | |
| | | | |
| Rate 32V - Residential Value Service | | | |
| Basic Facilities Charge | \$8.25 | \$6.00 | |
| Per Therm Charge | \$1 18972 | \$1 24252 | |
| Rate 32S - Residential Standard Service | | | |
| Basic Facilities Charge - (Nov. Apr.) | 210.75 | | |
| | \$10.75 | \$7.00 | |
| Basic Facilities Charge - (May Oct.) | \$5.75 | \$5.00 | |
| Per Therm Charge | \$1 24972 | \$1 30252 | |
| Rate 34 - Large General Service | | | |
| Demand Charge - 1st 50 Dekatherms | | | |
| | \$10.00 | \$10.00 | |
| Demand Charge - Over 50 Dekatherms | \$6.00 | \$6.00 | |
| Commodity Charge per Dekethere | | | |
| Commodity Charge per Dekatherm | \$9.14585 | \$9 14585 | |
| Rate 35 - Transportation and Standby Service | 3 | | |
| Transportation Charges | | | |
| Demand Charge - 1st 50 Dekatherms | \$10.00 | \$10.00 | |
| Demand Charge - Over 50 Dekatherms | \$6.00 | \$6.00 | |
| Commodity Charge Per Dekatherm | \$1 59920 | \$1 59920 | |
| Standby Charges | 01 00020 | W 1 0 3 0 2 0 | |
| Standby Demand Per Dekatherm (Nov -Ap | 200 | \$6.00 | |
| Commodity Charge Per Dekatherm | \$9.14585 | \$9 14585 | |
| | 39 14303 | as 14565 | |
| Rate 36 - Gas Lighting | | | |
| Two Mantle Fixture - Monthly Fixed Charg | ge \$24 20 | \$24.20 | |
| Three Mantle Fixture - Monthly Fixed Cha | arge \$32 03 | \$32.03 | ٠, |
| Four Mantle Fixture - Monthly Fixed Char | ge \$40 05 | \$40.05 | |
| Rider to Rate 31 Specification A - Commercia | Air Condition | ina | * |
| Basic Facilities Charge | \$12.50 | \$10.50 | |
| Per Therm Charge - All Therms | \$0 91080 | | |
| | | \$0 91080 | |
| Rider to Rate 31 Specification B - Commercia | | ing | |
| Basic Facilities Charge | \$12.50 | \$10.50 | |
| Per Therm Charge | \$1.23147 | \$1 24398 | |
| Rider to Rate 32 Specification B - Residential | Air Conditioni | | |
| Basic Facilities Charge | \$8.25 | \$6.00 | |
| | | | |
| Per Therm Charge – All Therms | \$1 04582 | \$1 04582 | |
| Rider to Rate 34 - Large General Service Air | | | |
| Demand Charge - 1st 50 Dekatherms | \$10.00 | \$10.00 | |
| Demand Charge - Over 50 Dekatherms | \$6.00 | \$6.00 | |
| Per Therm Charge - All Therms | \$0 88659 | \$0.88659 | |
| The state of the s | | 355 | 51 |
| | | 333 | ٠. |

THE STATE-RECORD CO., INC. Columbia. South Carolina publisher of

The P State

AFFIDAVIT OF PUBLICATION

The Post and Courier

State of South Carolina
County of Charleston

Personally appeared before me the undersigned advertising Clerk of the above indicated newspaper published in the City of Charleston, County and State aforesaid, who, being duly sworn, says that the advertisement of

| (copy attached) | |
|--|--|
| appeared in the issues of said newspaper | |
| on the following day(s): | |
| May 27, 2005 | |

Subscribed and sworn to before me this 31st day

of May

A.D. 20_05

Suela Coping S
(Advertising clerk)

NOTARY PUBLIC, SC

My Commission expires October 10, 2013

Form f3030

The Vost and Convier



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PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA DOCKETING DEPARTMENT NOTICE OF FILING AND HEARING DOCKET NO. 2005-113-G

Application of South Carolina Electric & Gas Company for an adjustment of its rates and charges for natural gas service, for new depreciation rates and changes in its terms and conditions of service.

Appreacano ut sourn caronna exertre ox cas Company for an adjustment of its rates and charges for natural gas service, for new depreciation rates and charges in its terms and conditions of service On April 26, 2005. South Carolina Electric & Gas Company (Applicant) filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new tastes be effective for bills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482,731 or 7,09%. In addition, the Application proposes an ew mechanism for accounting for revenues from interruptible industrial customers and expactly release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lighting and gas air conditioning rates to new installations. The Application reflects a new pricing structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the firm shipper. The Application includes two new rates. The Residential Value Service Rate would apply to residential customers using 10 therms or more on average quiring the months of Juna, July and August. The Medium General Service Rate would apply to commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The General Service rate will apply to other commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The General Service rate will apply to other commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The Genera

at, legigious and trianance cuscions.

The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure, and includes an election to have the rates established in this proceeding be subject to the provisions of the Natural Gas Rate Stabilization Act ("RSA") Section 58-5-400 et seq. of the Code of Laws of South Carolina

The Application sets forth the following information in support of the proposed rates:

- In The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years, the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Since 1989, the number of customers on the Applicant's system has increased by 36% and the mites of gas mains operated by the Applicant have increased by 46% Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost of operation.
- 2. Applicant asserts that the present rates do not allow the Applicant to earn a fair return on its investment in its gas system. For the adjusted test year ended December 31, 2004, the Company earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of debt such that the Company's Return on Equity for the adjusted test period was a negative 1 11%
- 3. The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, if must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system.

us ausperu une manienat integrity of the system.

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina, 2011. Experience P.O. Drawer 11649, Columbia, South Carolina 2011. It as well as the business offices of the Applicant. Exhibit A to this notice identifies the proposed and afternative rates and charges. Additionally, SCE&G's Application is available on the Commission's website at www next see on. mission's website at www.psc.sc.gov

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synengy Business Park, Saluda Building 101 Executive Center Drive Columbia, South Carolina on Monday, September 19, 2005 at 11:00 a.m.

Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Catherine D. Taylor, Esquire, Associate General Coinset, South Carolina Electric & Gas Company, Columbia, South Carolina 29218 on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

Any person who wishes to participate in this matter, as a party of record with the right to of cross examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding MUST present such comments, in person, to the Commission during the hearing

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100

Public Service Commission of South Carolina Atm: Docketing Department Post Office Drawer 11649 Columbia, South Carolina 29211

EXHIBIT A South Carolina Electric and Gas Company Docket No. 2005-113-G

| Proposed Gas Rates | | | |
|---|-------------------------|---------------------|--|
| DESCRIPTION | PROPOSED A | LIERNATIVE | |
| Die Heine Grander und der State der | | | |
| Rate 31 - General Service Basic Facilities Charge - (NovApr.) | \$15 50 | \$13 50 | |
| Basic Facilities Charge - (May-Oct) | \$9.50 | \$7.50 | |
| Per Therm Charge | \$1.23147 | \$1.24398 | |
| Rate 33 - Medium General Service | | | |
| Basic Facilities Charge | \$25.00 | \$16.75 | |
| Per Therm Charge | \$1 18147 | \$1 19398 | |
| Rate 32V - Residential Value Service | 60.05 | 86.00 | |
| Basic Facilities Charge | \$8.25 | \$6.00 \$1.24252 | |
| Per Therm Charge | \$1 18972 | φι 24252 | |
| Rate 32S - Residential Standard Service | | | |
| Basic Facilities Charge - (NovApr.) | \$10.75 | \$7.00 | |
| Basic Facilities Charge - (May-Oct) | \$5.75 \$1 24972 | \$5.00 \$1 30252 | |
| Per Therm Charge | \$174972 | \$1.30252 | |
| Rate 34 - Large General Service | | 1.2 | |
| Demand Charge - 1st 50 Dekatherms | \$10.00 | \$10.00 | |
| Demand Charge - Over 50 Dekatherms | \$6.00 | \$6.00 \$9.14585 | |
| Commodity Charge per Dekatherm | \$9 14585 | \$9.14585 | |
| Rate 35 - Transportation and Standby Service | | | |
| Transportation Charges | | الأساليان | |
| Demand Charge - 1st 50 Dekatherms | \$10.00 | \$10.00 | |
| Demand Charge - Over 50 Dekatherms | \$6.00 | \$6.00 \$1.59920 | |
| Commodity Charge Per Dekatherm | \$1 59920 | \$1 J992U | |
| Standby Charges Standby Demand Per Dekatherm (Nov Apr.) | \$6.00 | \$6.00 | |
| Commodity Charge Per Dekatherm (Nov -Apr) | \$9.14585 | \$9.14585 | |
| [- 1 명, 화면문관관관] 전환 회 T관원 회 등 1 항 기계 (14 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 | | | |
| Rate 36 - Gas Lighting | \$24.20 | \$24 20 | |
| Two Mantle Fixture Monthly Fixed Charge Three Mantle Fixture - Monthly Fixed Charge | \$24.20 \$32.03 | \$24 20 \$32 03 | |
| Three Mantle Fixture - Monthly Fixed Charge Four Mantle Fixture - Monthly Fixed Charge | \$32.03 \$40.05 | \$40.05 | |
| | 1 March 2012 | | |
| Rider to Rate 31 Specification A - Commercial Air C | onditioning \$12.50 | \$10.50 | |
| Basic Facilities Charge Per Therm Charge - All Therms | \$12.50 \$0.91080 | \$0,91080 | |
| 그런 사람들이 하는데 하는데 사용을 보는 가능하는 것이 되었다. 그 이 상대가 되었다고 하는데 | 나 막 건강하다고 됐습니 | | |
| Rider to Rate 31 Specification B - Commercial Air C | conditioning \$12.50 | \$10.50 | |
| Basic Facilities Charge | \$12.50 \$1.23147 | \$10.50 | |
| Per Therm Charge | 57 77 Sept. 30 | ⊕ t. ∠4370 | |
| Rider to Rate 32 Specification B - Residential Air Co | nditioning | **** | |
| Basic Facilities Charge | \$8.25 | \$6.00 \$1.04582 | |
| Per Therm Charge - All Therms | \$1.04582 | 31 04382 | |
| Rider to Rate 34 - Large General Service Air Condition | oning | | |
| Demand Charge - 1st 50 Dekatherms | 210.00 | \$10.00 | |
| Demand Charge - Over 50 Dekatherms | \$6,00 | \$6.00 \$0.88659 | |
| Per Therm Charge - All Therms | \$0 88659 | 20 88029 | |
| | · · | | |



www.sceg.com

State of South Carolina County of Orangeburg

Personally appeared before me,
John Weiss
Advertising Director
of The Times And Democrat,
a division of Lee Publications, Inc.
A newspaper published at Orangeburg,
County of Orangeburg,
State of South Carolina.
Who declares that the attatched
Notice was published in said newspaper
On the following dates:

May 27, 2005

5-156 9-068 5-8

SWORN TO AND SUBSCRIBED BEFORE ME

May 27, 2005

NOTARY PUBLIC, S.C.

My commission Expires: February 14, 2015

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2005-113-G

APPLICATION OF SOUTH CAROLINA ELECTRIC & GAS COMPANY FOR AN ADJUSTMENT
OF ITS RATES AND CHARGES FOR NATURAL GAS SERVICE, FOR NEW DEPRECIATION
RATES AND CHANGES IN ITS TERMS AND CONDITIONS OF SERVICE

RATES AND CHANGES IN ITS TERMS AND CONDITIONS OF SERVICE

On April 26, 2005, South Carolina Electric & Gas Company (Applicant) filed and Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new rates be effective for Dills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482, 731 or 7.09%. In addition, the Application proposes a new mechanism for accounting for revenues from interruptible industrial customers and capacity release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lightning and gas air conditioning rates to new installations. The Application proposes closing gas lightning and gas air conditioning areas to new installations. The Application reflects a new princing structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the firm shipper. The Application includes two new rates. The Residential Value Service plate would apply to residential customers using 10 terms or more on average during the months of June, July and August. The Medium General Service at the would apply to commercial, industrial, agricultural, religious and charitable customers.

The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (1976); as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Corrimission of South Carolina's Rules of Practice and Procedure, and includes an election to have the rates stabilished in this proceeding be subject to the provisions of the Natural Gas Rate Stabilization Act.("RSA"). Section 58-5-400 et seg. of the Code of Laws of South Carolina

The Application sets forth the following information in support of the proposed rates:

The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Since 1998, the number of customers on the Applicant's system has increased by 36%, and the miles of gas mains operated by the Applicant have increased by 46%. Inflation has increased producer prices by 30% over the period and has increased the Applicants cost of operation.

The Applicant asserts that the present rates do not allow the Applicant to earn afair return on its investment in its gas system. For the adjusted test year ended December 31; 2004, the Company cost of debt such that the Company's cost of debt such that the Company's cost of debt such that the Company's Peturn on Equity for the adjusted test period was a negative 1.11%.

The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable ferms and compensatory rates are required to support the financial integrity of the system.

A copy of he Company's Application and proposed rates and charges, as well, as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P.O. Drawer 11649. Cotumbia, South Carolina 29211, as well as the business offices of the Applicant Exhibit A to this notice identifies the proposed and alternative rates and charges. Additionally SCESG's Application is available on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia South Carolina on Monday September 19, 2005 at 11:00a.m

Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Catherine D. Taylor, Esquire, Associate General Coursel South Carolina 18:00 and Carolina 29218 on or before July 15, 2005. Please refer to Docket No. 2005-113-76.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as par of the official record of this proceeding MUST present such comments, in person, to the Commission-during the hearing.

Persons seeking information about the Commissions's Procedures should contact the Commission in Columbia at 803-896-5100

Public Service Commission of South Carolina Attn: Docketing Department Post Office Drawer 11649 Columbia, South Carolina 29211

12 May 2005 Fib

EXHIBIT A

South Carolina Electric and Gas Company Docket No. 2005-113-G

| Proposed Gas Rates | | 48.24 |
|--|----------------------|---|
| | | |
| Description Rate 31-General Service | <u>Pr</u> <u>sed</u> | Alternative |
| Basic Facilities Charge (| \$15 50 | \$13.50 |
| Basic Facilities Charge -(May-Oct.) | \$9 50 | \$7.50 |
| Per Therm Charge | \$1 23147 | \$1,24398 |
| | V1 20141 | W1.2-1030 |
| Rate 33- Medium General Service | | 현대 등 없는 사람이 되었다. |
| Basic Facilities Charge | \$25.00 | \$16.75 |
| Per Therm Charge | \$1.18147 | \$1 19398 |
| | | 요즘 없는데 얼굴하다. |
| Rate 32V- Residential Value Service | | |
| Basic Facilities Charge | \$8.25 | \$6.00 |
| Per Therm Charge | \$1 18972 | \$1 24252 |
| and the second of the second o | | A Committee of the |
| Rate 32S Residential Standard Service | | |
| Basic Facilities Charge - (NovApr.) | \$10.75 | \$7.00 |
| Basic Facilities Charge - (May-Oct) | \$5.75 | \$5.00 |
| Per Therm Charge | \$1 24972 | \$1 30252 |
| | | |
| Rate 34 - Large General Service | | |
| Demand Charge 1st 50 Dekatherns | \$10.00 | \$10.00 |
| Demand Charge- Over 50 Dekatherms | \$6.00 | \$6.00 |
| Commodity Charge per Dekatherm | \$9 14585 | \$9 14585 |
| 이 그래도 밝힌 경우를 하고 있는 것은 것이 없다. | | |
| Rate 35- Transportation and Standby Service | detación i vist | 35 36 30 30 30 30 30 30 30 30 30 30 30 30 30 |
| Transportation Charges | | |
| Demand Charge - 1st 50 Dekatherms | \$10.00 | \$10.00 |
| Demand Charge - Over 50 Dekatherms | \$6.00 | \$6.00 |
| Commodity Charge Per Dekatherm | \$1.59920 | \$1 59920 |
| Standby Charges | | |
| Standby Demand Per Dekatherm (Nov Apr.) | \$6.00 | \$6.00 |
| Commodity Charge Per Dekathern | \$9 14585 | \$9.14585 |
| | 시간하면 본 시간으로 | |
| Rate 36- Gas Lighting | | |
| Two Mantle Fixture Monthly Fixed Charge | \$24.20 | \$24.20 |
| Three Mantle Fixture-Monthly Fixed Charge | \$32.03 | \$32.03 |
| Four Mantle Fixture- Monthly Fixed Charge | \$40 05 | \$40.05 |
| | 네임존한 경험생 | |
| Rider to Rate 31 Specification A. Commercial Air Conditi | | |
| Basic Facilities Charge | \$12.50 | \$10.50 |
| Per Therm Charge - All Therms | \$0.91080 | \$0,91080 |
| | | |
| Rider to Rate 31 Specification B- Commercial Air Conditi | | |
| Basic Facilities Charge | \$12.50 | \$10.50 |
| Per Therm Charge | \$1 23147 | \$1 24398 |
| | | |
| Rider to Rate 32 Specification B- Residential Air Condition | | |
| Basic Facilities Charge | \$8.25 | \$6.00 |
| Per Therm Charge- All Therms | \$1 04582 | \$1 04582 |
| | | 11.2 |
| Rider to Rate 34- Large General Service Air Conditioning | | |
| Demand Charge- 1st 50 Dekatherms | \$10.00 | \$10.00 |
| Demand Charge- Over 50 Dekatherms | . \$6.00 | \$6.00 |
| Per Therm Charge - All Therms | \$0.88659 | \$0.88659 |
| | 11.11400 | 40.00000 |

The Times And Democrat,



Aiken Standard

Aiken, South Carolina 29801

STATE OF SOUTH CAROLINA COUNTY OF AIKEN

Personally appeared before me

AMY HUNSUCKER

of the Aiken Standard, a seven day per week newspaper published in Aiken, South Carolina, and made oath in due form of law that the Advertisement of SCANA SERVICES

appeared in the Aiken Standard on the following dates, vis: 05/27/2005

SWORN and subscribed to before n

this 31st day of May, 2005

Eller & Priet Notary Public

for the State of South Carolina

MY COMMISSION EXPIRES SEPTEMBER 18, 200

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA **DOCKETING DEPARTMENT** NOTICE OF FILING AND HEARING **DOCKET NO. 2005-113-G**

APPLICATION OF SOUTH CAROLINA ELECTRIC & GAS COMPANY FOR AN ADJUSTMENT OF ITS RATES AND CHARGES FOR NATURAL GAS SERVICE, FOR NEW DEPRECIATION RATES AND CHANGES IN ITS TERMS AND CONDITIONS OF SERVICE

On April 26, 2005, South Carolina Electric & Gas Company (Applicant) filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new rates be effective for bills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482,731 or 7.09%. In addition, the Application proposes a new mechanism for accounting for revenues from interruptible industrial customers and capacity release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lighting and gas air conditioning rates to new installations. The Application reflects a new pricing structure for firm transportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be bome by the firm shipper. The Application includes two new rates. The Residential Value Service Rate would apply to residential customers using 10 therms or more on average during the months of June, July and August. The Medium General Service Rate would apply to commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period The General Service rate will apply to other commercial, industrial, agricultural, religious and charitable customers.

The Application was filed pursuant to S.C. Code Ann. Section 58-5-240 (1976), as amended and 26 S.C. Code Ann. Reg. 103-834, as amended, of the Public Service Commission of South Carolina's Rules of Practice and Procedure, and includes an election to have the rates established in this proceeding be subject to the provisions of the Natural Gas Rate Stabilization Act ("RSA"), Section 58-5-400 et seq. of the Code of Laws of South Carolina.

- The Application sets forth the following information in support of the proposed rates:

 1. The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years, the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Sirice 1989, the number of customers on the Applicant's system has increased by 36% and the inflest of gas mains operated by the Applicant have increased by 46% Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost of operation.
- 2. The Applicant asserts that the present rates do not allow the Applicant to earn a fair return on its investment in its gas system. For the adjusted test year ended December 31, 2004, the Company earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of debt such that the Company's Return on Equity for the adjusted test period was a neg-
- 3. The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system.

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service car be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina 29211, as well as the business offices of the Applicant. Exhibit A to this notice identifies the proposed and alternative rates and charges Additionally, SCE&G's Application is available on the Commission's website at

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina on Monday, September 19, 2005 at 11:00 a.m.

Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Catherine D. Taylor, Esquire, Associate General Counsel, South Carolina Electric & Gas Company, Columbia, South Carolina 29218 on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before July 15, 2005. Please refer to Docket No. 2005-113-G.

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before July 15, 2005. Please refer to Docket No. 2005-113-

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding MUST present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100 Public Service Commission of South Carolina

Attn: Docketing Department Post Office Drawer 11649 Columbia, South Carolina, 29211

Aiken Standard

Aiken, South Carolina 29801

| EXHIBIT A South Carolina Electric an | d Gas Company | |
|---|-----------------------|------------------|
| Docket No. 2005 | -113-G | and step, side a |
| Proposed Gas I | | 그 그 인터넷과 사용하 |
| Description | Proposed | Alternative |
| Rate 31 – General Service | | 1.1.1 |
| Basic Facilities Charge - (Nov -Apr.) | \$15.50 | \$13.50 |
| Basic Facilities Charge – (May-Oct.) | \$9.50 | \$7.50 |
| Per Therm Charge | \$1 23147 | \$1.24398 |
| Rate 33 - Medium General Service | | |
| Basic Facilities Charge | \$25.00 | \$16.75 |
| Per Therm Charge | \$1.18147 | \$1.19398 |
| | | |
| Rate 32V – Residential Value Service | | |
| Basic Facilities Charge | \$8.25 | \$6.00 |
| Per Therm Charge | \$1.18972 | \$1 24252 |
| Day 200 Districtly Carallel Car | | |
| Rate 32S – Residential Standard Service Basic Facilities Charge – (NovApr.) | \$10.75 | \$7.00 |
| | \$10.75 \$5.75 | \$7.00 \$5.00 |
| Basic Facilities Charge – (May-Oct.) Per Therm Charge | \$5.75 \$1.24972 | \$1.30252 |
| rei menn onarge | Φ1.2 43 12 | ψ1.50£5£ |
| Rate 34 – Large General Service | | |
| Demand Charge - 1st 50 Dekatherms | \$10.00 | \$10.00 |
| Demand Charge – Over 50 Dekatherms | \$6.00 | \$6.00 |
| Commodity Charge per Dekatherm | \$9.14585 | \$9 14585 |
| Rate 35 – Transportation and Standby Service | | |
| Transportation Charges | | |
| Demand Charge – 1st 50 Dekatherms | \$10.00 | \$10.00 |
| Demand Charge – Over 50 Dekatherms | \$6.00 | \$6.00 |
| Commodity Charge Per Dekatherm | \$1.59920 | \$1 59920 |
| Standby Charges | V ,00020 | V. 575.5 |
| Standby Demand Per Dekatherm (Nov -Apr.) | \$6.00 | \$6.00 |
| Commodity Charge Per Dekatherm | \$9 14585 | \$9 14585 |
| | | |
| Rate 36 - Gas Lighting | | |
| Two Mantle Fixture – Monthly Fixed Charge | \$24.20 | \$24.20 |
| Three Mantle Fixture - Monthly Fixed Charge | \$32.03 | \$32.03 |
| Four Mantle Fixture - Monthly Fixed Charge | \$40.05 | \$40.05 |
| Rider to Rate 31 Specification A - Commercial Air Co | onditioning | |
| Basic Facilities Charge | \$12.50 | \$10.50 |
| Per Therm Charge – All Therms | \$0,91080 | \$0.91080 |
| | | 그는 그 경기를 가장 |
| Rider to Rate 31 Specification B – Commercial Air Co | | من من |
| Basic Facilities Charge | \$12.50 | \$10.50 |
| Per Therm Charge | \$1.23147 | \$1.24398 |
| Rider to Rate 32 Specification B - Residential Air Co | nditionina | |
| Basic Facilities Charge | \$8.25 | \$6.00 |
| Per Therm Charge – All Therms | \$1.04582 | \$1 04582 |
| 선생물은 경기 이 그러지 선생님이 이렇게 되지만 않는데 그래? | | |
| Rider to Rate 34 – Large General Service Air Condition | oning | 100 MAN |
| Demand Charge – 1st 50 Dekatherms | \$10.00 | \$10.00 |
| Demand Charge – Over 50 Dekatherms | \$6.00 | \$6.00 |
| Per Therm Charge – All Therms | \$0.88659 | \$0.88659 |
| [25] [10] 10 [10] 10 [10] 10 [10] 10 [10] 10 [10] 10 [10] 10 [10] 10 [10] 10 [10] 10 [10] 10 [10] 10 [10] 10 [10] | | a mask to |
| 발표를 하는 것이 하는 것이 되는 사람들이 하는 것이 되는 것이다. | | |

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STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT

× .

AFFIDAVIT

Personally appeared before me a Notary Public, in and for State and County, aforesaid, Sara Johnson Borton who being duly sworn according to law, deposes and says that she is the Publisher of The Beaufort Gazette, a newspaper published Sunday through Saturday every week in Beaufort County, SCANA Services. **Public** Service Commission of South Carolina, Docketing Department, Notice of Filing and Hearing, Docket No. 2005-113-G, was published in the issue(s) of The Beaufort Gazette on May 27th, 2005.

> Sara Johnson Borton, Publisher

Sua Johnson M

Subscribed and sworn to before me this 27th day of May, 2005.

Notary Public for South Carolina

My Commission Expires 26 0 2 2006

a. Maylur

Phone: 843-524-3183 • Fax: 843-524-8728 • E-Mail: gazette@beaufortgazette.com

PUBLIC SERVICE FOMMISSION OF SOUTH CAROLINA
DOCKETING DEPARTMENT
NOTICE OF FILING AND HEARING DOCKET NO. 2005-113-G
Application of South Carolina Electric & Gas Company for an adjustment
of its rates and charges for natural gas service, for new depreciation rates
and changes in its terms and conditions of service
On April 26, 2005, South Carolina Electric & Gas Company (Applicant)
filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for
natural gas service and proposing approval of new depreciation rates for
its gas system. The Application proposes that the new rates be effective for
bills rendered or or after November 1, 2005. The Application proposes an
overall increase in revenues of \$28,482,731 or 7.09%. In addition, the
Application proposes a new mechanism for accounting for revenues from
interruptible industrial customers and capacity release transactions, new
inters, a new rate design, and changes in its general terms and conditions.
The Application includes both a proposed and an alternative rate design
and proposes closing gas lighting and gas air conditioning rates to new
installations. The Application relectes a new pricing structure for firm
transportation service which includes in the rates for that service the fixed
cost of upstream capacity which otherwise would be borne by the firm
shipper. The Application includes two new rates. The Residential Value
Service Rate would apply to residential customers using 10 therms or
more on average during the months of June, July and August. The Medium
General Service Rate would apply to commercial, industrial, agricultural,
religious and chantable customers with an average usage of 130 therms or,
more during that period. The General Service rate will apply to other
commercial, industria, agricultural, religious and chantable customers.
The Application was filed pursuant to S.C. Code Ann. Reg. 103-834, as amended, of
the Public Service Commission of South Carolina's Rules

The Application sets forth the following information in support of the pro-

The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years, the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Since 1989, the number of customers on the Applicant's system has increased by 36% and the miles of gas mains operated by the Applicant have increased by 46%. Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost of operation.

system has increased by 36%, and the miles of gas mains operated by the Applicant have increased by 46%. Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost; of operation.

2. The Applicant asserts that the present rates do not allow the Applicant to ean a fair return on its investment in its gas system. For the adjusted test year ended December 31, 2004, the Company-earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of debt such that the Company's Return on Equity for the adjusted test period was a negative 1.11%.

3. The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system.

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina, 29211, as well as the business offices of the Applicant. Exhibit A to this notice identifies the proposed and alternative rates and charges. Additionally, SCE&G's Application is available on the Commission's website at www psc.sc.gov

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina on Monday, September 19, 2005 at 11:00 a.m. Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below, Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Catherine D. Taylor, Esquire, Ass

MUSI present state constitution about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina Attn: Docketing Department Post Office Drawer 11649 Columbia, South Carolina, 29211

PROPOSED ALTERNATIVE

| DESCRIPTION | PROPOSED A | LTERNATIVE |
|--|---------------|------------|
| Rate 31 - General Service | | |
| Basic Facilities Charge - (NovApr.) | \$15.50 | \$13.50 |
| Basic Facilities Charge - (May - Oct) | \$9.50 | \$7.50 |
| Per Therm Charge | \$1 23147 | \$1 24398 |
| Rate 33 - Medium General Service | | |
| Basic Facilities Charge | \$25 00 | \$16.75 |
| Per Therm Charge | \$1 18147 | \$1 19398 |
| Rate 32V - Residential Value Service | 4 (8.55713) 1 | |
| Basic Facilities Charge | \$8.25 | \$6.00 |
| Per/Therm Charge | \$1.18972 | \$1.24252 |
| Rate 32S - Residential Standard Service | | |
| Basic Facilities Charge - (NovApr) | \$10.75 | \$7.00 |
| Basic Facilities Charge - (May-Oct) | \$5.75 | \$5.00 |
| Per Therm Charge | \$1 24972 | \$1 30252 |
| Rate 34 - Large General Service | | |
| Demand Charge - 1st 50 Dekatherms | \$10 00 | \$10.00 |
| Demand Charge - Over 50 Dekatherms | \$6.00 | \$6,00 |
| Commodity Charge per Dekatherms | \$9 14585 | \$9.14585 |
| Rate 35 - Transportation and Standby Se | | 43,77,000 |
| Transportation Charges | | F 1889 |
| Demand Charge - 1st 50 Dekatherms | \$10.00 | \$10.00 |
| Demand Charge - Over 50 Dekatherms | \$6.00 | \$6.00 |
| Commodity Charge per Dekatherms | \$1,59920 | \$1 59920 |
| Standby Charges | | 3, 3,,20 |
| Standby Demand Per Dekatherm (Nov - | Apr.) \$6.00 | \$6.00 |
| Commodity Charge Per Dekatherm | \$9.14585 | \$9 14585 |
| Rate 36 - Gas Lighting | 37.14303 | 97 14303 |
| Two Mantle Fixture - Monthly Fixed Ch | arge \$24.20 | \$24 20 |
| Three Mantle Fixture - Monthly Fixed C | | \$32.03 |
| Four Mantle Fixture - Monthly Fixed Ch | | \$40.05 |
| Pider to Pote 21 Consideration A. Con- | arge 540.05 | |
| Rider to Rate 31 Specification A - Comm | \$12.50 | \$10.50 |
| Basic Facilities Charge | \$12:00 | 210.20 |
| Per Therm Charge - All Therms Rider to Rate 31 Specification B - Comm | 20.91080 | \$0,91080 |
| Rider to Rate 31 Specification B - Comp | | |
| Basic Facilities Charge | \$12.50 | \$10.50 |
| Per Therm Charge | \$1.23147 | \$1.24398 |
| Rider to Rate 32 Specification B - Resid | | |
| Basic Facilities Charge | \$8.25 | \$6.00 |
| Per Therm Charge - All Therms | \$1.04582 | \$1.04582 |
| Rider to Rate 34 - Large General Service | | |
| Demand Charge - 1st 50 Dekatherms | \$10.00 | \$10.00 |
| Demand Charge - Over 50 Dekatherms | \$6.00 | \$6.00 |
| Per Therm Charge - All Therms | \$0.88659 | \$0 88659 |
| 5/27;SCANA | | |
| | | |

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AFFIDAVIT OF INSERTION

9 149 16 1674 6 8

STATE OF SOUTH CAROLINA COUNTY OF FLORENCE

| The Legal Clerk for the Morning News, a daily newspaper published in the City of Florence, County of Florence, and the State of South Carolina said that the attached advertisement was published on as shown by the files as said company. Sworn and subscribed before me this | Personally appeared before me |
|---|--|
| that the attached advertisement was published on | Carrie Claid |
| Sworn and subscribed before me this day of, 2005 | of the state of South Carolina and |
| Janue B. Relandon NS | as shown by the files as said company. AMA AMA AMA AMA AMA AMA AMA A |
| Janue B. Relandon NS | Sworn and subscribed before me this day of, 2005 |
| | Janue B. Relandon NS |

Commissions expires: My Commission Expires April 18, 2010

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PUBLIC SERVICE COMMISSION
OF SOUTH CARGUINA
DOCKETING DEPARTMENT
NOTICE OF FILING AND HEARING
DOCKET NO. 2005-113-G
Application of South Carolina Electric & Gas Company for an adjustment of its rates and charges for natural gas service, for new depreciation rates and changes in its terms and conditions of service On April 26, 2005. South Carolina Electric & Gas Company (Applicant) filed an Application with the Public Service Commission of South Carolina (Commission) proposing changes in its rates, charges, and tariffs for natural gas service and proposing approval of new depreciation rates for its gas system. The Application proposes that the new rates be effective for bills rendered on or after November 1, 2005. The Application proposes an overall increase in revenues of \$28,482,731 or 7.09%. In addition, the Application proposes a new mechanism for accounting for revenues from interruptible industrial customers and capacity release transactions, new rates, a new rate design, and changes in its general terms and conditions. The Application includes both a proposed and an alternative rate design and proposes closing gas lighting and gas air conditioning rates to new installations. The Application reflects a new pricing structure for im ransportation service which includes in the rates for that service the fixed cost of upstream capacity which otherwise would be borne by the firm shipper. The Application includes two new rates The Residential Value Service Bate would apply to residential customers using 10 therms or more on average during the months of June, July and August. The Medium General Service Rate would apply to commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The General Service rate will apply to other commercial, industrial, agricultural, religious and charitable customers with an average usage of 130 therms or more during that period. The General Service rate will apply to other commercial, industrial, agricultur

The Application sets forth the following information in support of the proposed rates:

1. The Applicant has not filed for a general increase in its base rates for natural gas service since 1989. In the intervening 16 years, the Applicant has continued to invest in its gas lines and other infrastructure to ensure that it can provide safe, reliable and efficient natural gas service to its customers. Since 1989, the number of customers on the Applicant's system has increased by 36% and the miles of gas mains operated by the Applicant have increased by 46%. Inflation has increased producer prices by 30% over the period and has increased the Applicant's cost of operation.

- 2. The Applicant asserts that the present rates do not allow the Applicant to earn a fair return on its Investment in its gas system. For the adjusted test year ended December 31, 2004, the Company earned an overall 2.67% return on its gas operations. That return was not sufficient to recover the Company's cost of debt such that the Company's Return on Equity for the adjusted test period was a negative 1, 11%
- 3. The Applicant asserts that to maintain a safe, reliable and efficient gas distribution system, it must be able to access capital on reasonable terms, and compensatory rates are required to support the financial integrity of the system

A copy of the Company's Application and proposed rates and charges, as well as the proposed terms and conditions of service can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina 29211, as well as the business offices of the Applicant. Exhibit A to this notice identifies the proposed and alternative rates and charges. Additionally, SCE&G's Application is available on the Commission's website at www.psc.sc.gov.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, Saluda Building, 101 Executive Center Drive, Columbia, South Carolina on Monday, September 19, 2005 at 11:00 a.m.

Any person who wishes to testify and present evidence at the hearing concerning these matters should notify, in writing, the Docketing Department at the address below. Office of Regulatory Staff, Post Office Box 11263, Columbia, South Carolina 29211 and Catherine D. Taylor, Esquire, Associate General Counsel, South Carolina Electric & Gas Company, Columbia, South Carolina 29218 on or before July 15, 2005. Please refer to Docket No

Any person who wishes to participate in this matter, as a party of record with the right of crossexamination, should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before July 15, 2005 Please refer to Docket No. 2005-113-G

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department, in writing, at the address below on or before July 15, 2005. Please refer to Docket No. 2005-113-G

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding MUST present such comments, in person, to the Commission during the hearing Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-895-5100.

Public Service Commission of South Carolina Attn: Docketing Department Post Office Drawer 11649 Columbia, South Carolina, 29211

RS-05-024 05/05 www sceg com

| | exhibit a | | |
|-----------------------|-----------------------------------|--|--|
| South | Carolina Electric and Gas Company | | |
| Docket No. 2005-113-G | | | |
| | Proposed Gas Rates | | |

| | Proposed Gas Rates | | |
|--|---|--|--|
| DESCRIPTION | PROPOSED PROPOSED | ALTERNATIVE | |
| Rate 31 General Service Basic Facilities Charge - (Nov. Apr.) Basic Facilities Charge - (May-Oct.) Per Therm Charge | \$15 50 \$9 50 \$1 23147 | \$13.50 \$7.50 \$1.24398 | |
| Rate 33 · Medium General Service Basic Facilities Charge Per Therm Charge | \$25.00 \$1.18147 | \$16.75 \$1 19398 | |
| Rate 32V - Residential Value Service Basic Facilities Charge Per Therm Charge | \$8.25 \$1 18972 | \$6.00 \$1 24252 | |
| Rate 32S - Residential Standard Service Basic Facilities Charge - (Nov - Apr.) Basic Facilities Charge - (May-Oct.) Per Therm Charge | \$10 75 \$5 75 \$1 24972 | \$7.00 \$5.00 \$1.30252 | |
| Rate 34 - Large General Service Demand Charge - 1st 50 Dekatherms Demand Charge - 0ver 50 Dekatherms Commodity Charge per Dekatherm | \$10 00 \$6.00 \$9 14585 | \$10 00 \$6 00 \$9 14585 | |
| Rate 35 - Transportation and Standby Service Transportation Charges Demand Charge - 1st 50 Dekatherms Demand Charge - Over 50 Dekatherms Commodity Charge Per Dekatherm Standby Charges | \$10.00 \$6.00 \$1.59920 | \$10 00 \$6.00 \$1 59920 \$6.00 | |
| Standby Demand Per Dekatherm (NovApr.) Commodity Charge Per Dekatherm | \$6.00 \$9 14585 | \$9 14585 | |
| Rate 36 - Gas Lighting Two Mantle Fixture - Monthly Fixed Charge Three Mantle Fixture - Monthly Fixed Charge Four Mantle Fixture - Monthly Fixed Charge | \$24.20 \$32.03 \$40.05 | \$24.20 \$32.03 \$40.05 | |
| Rider to flate 3f Specification A - Commercial Air C Basic Facilities Charge Per Therm Charge - All Therms | Conditioning \$12.50 \$0.91080 | \$10.50 \$0.91080 | |
| Rider to Rate 31 Specification B - Commercial Air C Basic Facilities Charge Per Therm Charge | Conditioning \$12.50 \$1.23147 | \$10.50 \$1 24398 | |
| Rider to Rate 32 Specification B - Residential Air C Basic Facilities Charge Per Therm Charge - All Therms | onditioning \$8.25 \$1.04582 | \$6.00 \$1 04582 | |
| Rider to Rate 34 - Large General Service Air Cont Demand Charge - 1st 50 Dekatherms Demand Charge - Over 50 Dekatherms Per Therm Charge - All Thorms | ditioning \$10 00 \$6.00 \$0.88659 | \$10.00 \$6.00 \$0.88659 | |
| | [1987年] | | |





Carolina Publishing Group



The Public Service Commission State of South Carolina

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Charles L.A. Terreni Chief Clerk/Administrator Phone: (803) 896-5133 Fax: (803) 896-5246

June ___, 2005

Docketing Department Phone: (803) 896-5100 Fax: (803) 896-5199

REVISED TRANSMITTAL LETTER

Mrs. Catherine Taylor Associate General Counsel South Carolina Electric & Gas Columbia. South Carolina 29218

IN RE: Docket No. 2005-113-G — Application of South Carolina Electric and Gas Company for an Adjustment of its Rates and Charges for Natural Gas Service, for new Depreciation Rates and changes in its Terms and Conditions of Service.

Dear Mrs. Taylor:

By letter of May 18, 2005, you were provided a Revised Notice of Filing and Hearing concerning the above-captioned Docket. This Revised Transmittal Letter modifies the dates related to newspaper publication of the Revised Notice of Filing and Hearing. In order to proceed with the processing of this Docket, it will be necessary for you to complete the following:

- 1. Publish at your own expense, on or before June 30, 2005 the Revised Notice of Filing and Hearing in newspaper(s) of general circulation in the affected areas, and provide the undersigned an original of publication on or before July 15, 2005.
- 2. Furnish, at your own expense, on or before June 30, 2005 by U.S. Mail, the Revised Notice of Filing and Hearing to each affected customer and provide a certification that this notification has been furnished on or before July 15, 2005.
- 3. Furnish the number of witnesses and approximate time required to present your case on or before **June 20, 2005**.

Failure to comply with the above on or before the dates shown may result in **DISMISSAL** of your Pleading.

In the meantime, if you should require additional information, please advise.

Sincerely,

Docketing Department

fib:

Enclosure (s)